



UNITED STATES GENERAL ACCOUNTING OFFICE
 REGIONAL OFFICE
 8112 FEDERAL OFFICE BUILDING
 FIFTH AND MAIN STREETS
 CINCINNATI, OHIO 45202

092891

GAO 00320

AUG 16 1970

Commander
 3rd Armored Division #
 APO New York 09039

DLG 05831



Dear Sir:

We have made an examination of the July 1969 voucher account, including the regular military pay vouchers for the July 1969 payroll, submitted by Lieutenant Colonel Johnny W. Kelley, Finance Officer, 3rd Armored Division, APO New York 09039, disbursing station symbol number 6579. Our review was made at the Finance Center, U. S. Army, Fort Benjamin Harrison, Indiana and consisted of a detailed audit of vouchers selected through the use of generally recognized statistical methods. DLG 00411

We made our selection from 12,075 military pay vouchers, 280 military temporary duty travel vouchers and sub-travel vouchers, and 590 military permanent change of station sub-travel vouchers. We examined 212 military pay vouchers, 187 military temporary duty vouchers and sub-vouchers, and 295 military permanent change of station sub-travel vouchers. All errors of \$1.00 or more were recorded.

Our audit disclosed 5 overpayments and underpayments on the military pay vouchers totaling \$223.97; 23 overpayments and underpayments on the military temporary duty travel vouchers totaling \$195.65; and 351 overpayments and underpayments on 225 of the permanent change of station travel vouchers totaling \$2,015.30. This represents an error rate of 2.36 percent for military pay vouchers, 12.3 percent for military temporary duty travel vouchers and 76.27 percent for military permanent change of station travel vouchers. An analysis of the errors is shown in APPENDIX A. We have issued Notices of Exception, where appropriate, and these were forwarded to the Finance Center, U. S. Army for collection action.

The summary of errors listed in APPENDIX B pertains to those cases where adjustments were made on vouchers subsequent to the target month. Since the adjustments should have been made on the July 1969 vouchers,

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these errors are brought to your attention because of a failure to make timely adjustments. These errors are not included in the computation of the error rate or in our projection.

Based on the number of vouchers submitted for July 1969 and the rates of error, we estimate that there are about 285 erroneous military pay vouchers in the account with overpayments and underpayments totaling in excess of \$12,000.00, 34 overpayments and underpayments in the military temporary duty travel vouchers totaling about \$250.00, and 450 military permanent change of station vouchers with errors totaling in excess of \$4,000.00.

One of the primary objectives of this report is to furnish information that you and your internal review operation can use to identify areas where improvements in management may be necessary. On March 8, 1968, we reported to your station on the results of our audit of the July 1967 account. Your reply of April 18, 1968 stated that closer attention and detailed guidance will be given to the travel section and that the military pay errors were of the "human" error type. In this connection, we note that our current audit of military pay disclosed an error rate of 2.36 percent as compared to 1.6 percent rate found in the prior audit, the error rate is 12.3 percent on TDY travel and 76.27 percent on PCS travel as compared to 7.16 percent (adjusted) on travel vouchers (TDY and PCS combined) on the July 1967 account.

It is apparent that any corrective measures taken as a result of our prior audit report either have not been effective or new problems are being experienced in the administration of military travel. We are particularly concerned that the rate of error on all travel has increased sevenfold and that 3 out of 4 permanent change of station vouchers contain errors. The principal travel errors involved no deduction for quarters on date of arrival at the new permanent station and the computation of per diem prior to arrival at the new permanent station; JTR, paragraphs M 4254-1.1 and M 4253, 1-2.

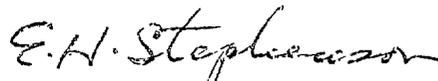
Since our examination was made at the Finance Center without the benefit of all pertinent source documentation, the results of our review are not intended, nor should they be construed, to be our opinion as to the over-all effectiveness and efficiency of the operations at your station.

We recognize that it may not be expedient to correct the individual errors cited in APPENDIX A, because of the small amounts involved and also because the members concerned may no longer be at

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your installation. However, we recommend that you examine into the cause of the errors noted and take appropriate action. We would appreciate any comments on our report and advice of action taken.

Very truly yours,



For David P. Sorando
Regional Manager

Enclosures

cc: Comptroller of the Army
Headquarters, U. S. Army, Europe and Seventh Army
Finance Center, U. S. Army

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